(b) if so, what are the details in this regard;

(c) what measures Government propose to take to ensure protection of ecology and ethnic culture of the islanders; and

(d) whether any attempt has been made to know the wishes of the islanders on these matters; if so, what are the details thereof?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) and (b) Some suggestions have been received for a free port to be developed in Andaman & Nicobar Islands. No decision has been taken in the matter. There is a proposal for development of tourism in Cinque Islands belonging to the Andaman and Nicobar Group of Islands.

(c) Econological and anthropological considerations will be kept in view in working out any schemes or plan for development of the islands.

(d) No, Sir.

Switchover from physical controls to tariffs

925. SHRI NIRMAL CHATTERJEE: Will the Minister of COMMERCE be pleased to state:

(a) what are Government's views on switchover from physical controls to tariffs as trade policy;

(b) whether the switchover will be profitable in the long run and the benefits will be passed on the people; and

(c) if so, what are the details of the measures by which the benefits are to be passed on to the people?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) to (c) The Government have accepted in principle the recommendation of the Committee on Trade Policies regarding replacement of quotas by tariffs overtime. A statement containing extracts of the relevant recommendations of the Report of the Committee on Trade Policies is attached. (*see below*). The Government have set up a high level Inter-Ministerial Committee with a view to lay down principles for moving over, to the extent feasible and desirable, from a regime of quantitative restriction on imports towards a system of controls based on tariffs.

Statement

Copy of the Recommendation of the Committee on Trade Policies Recommendation No. 28

In the ultimate analysis, tariffs should replace the quotas over time. The process of transition would have to be gradual as tariffs and quotas are not perfect substitutes for one another. Wherever licences are substituted by tariffs, it needs to be accepted that tariffs are an instrument of trade policy and not a means of raising revenue. During the period of transition, the structure of tariffs and the import licensing policies would have to be harmonised with each other, which is not the case at present. It is imperative to evolve a mechanism supported by a group of experts who would formulate the guidelines and the methodology for the rationalisation of the tariff structure and the harmonisation of import licensing with tariffs, this would enable the Ministry of Finance to restructure the tariff rates. It goes without saying that a close inter-departmental co-ordination between the Ministries of Commerce, Industry and Finance is a pre-requisite for the proposed change to be introduced. The Committee hopes that this interim institutional mechanism would ultimately evolve into a suitable permanent arrangement.

Relevant Extracts of the Report of the Committee on Trade Policies

The issue of the choice between tariffs and quotas, as alternative instruments of trade policy, was debated at some length. The Committee believes that, in the ultimate analysis, tariffs should replace quotas over time. In principle, this would be a step in the right direction for a number of reasons. First, as the number of import transactions has increased over the years, import licensing has become more complex to administer in a prompt manner. Second, it may be easier for importers to assess the costs and the availability in the case of tariffs as compared to quotas. Third, fiscal controls may be preferable to physical controls in administrative terms, as they would reduce the incidence of delays and misuse. Fourth, in accordance with the object of de-escalating protection over time, a reduction in tariffs rather than quotas would be more transparent and easier to comprehend on the part of import-competing firms.

The Committee recognises that the process of transition would have to be gradual as tariffs and quotas are not perfect substitutes for one another. In many cases, the tariff equivalent of quotas, for example in the case of capital goods, may be so high that it would further escalate the domestic costs of production without any change in the degree of protection; in such cases, it may be preferable to retain the import licensing system. Bearing in mind this general principle, the Committee has suggested some areas where it would be advisable to move from licensing to tariffs. Wherever licences are substituted by tariffs, it needs to be accepted that tariffs are an instrument of trade policy and not a means of raising revenue. In a situation where domestic resource mobilisation is exceedingly difficult, there is a distinct possibility that the revenue raising objective may retain importance and precedence. Hence, the Committee recognises that the proposed change in the role of tariffs would have revenue implications that would determine the pace of the transition from physical to fiscal controls in trade. During the period of transition, the structure of tariffs and the import licensing policies would have to be harmonised with each other, which is not the case at present. Beginnings are always difficult. Yet, the Committee believes that if there is to be a transition from quotas to tariffs, it is imperative to evolve a mechanism supported by a group of exporters who would formulate the guidelines and the methodology for the rationalisation of the tariff structure and the harmonisation of import licensing with tariffs; this would enable the Ministry of Finance to restructure the tariff rates. It goes without saying that a close inter-eparmental coordination between the Ministries of Commerce, Industry and Finance is a pre-requisite for the proposed change to be introduced. The Committee hopes that this interim institutional mechanism would ultimately evolve into a suitable permanent arrangement.

बैंकों में डकैतियां/धोखाधड़ी के मामले

926. **श्री प्यारेलाल खंडेलवाल :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) 1 जनवरी, 1985 से 31 जनवरी, 1986 की अवधि में देश के किन-किन बैंकों में डकैतियों और धोखाधडी की कितनी घटनाएं हुई और प्रत्येक मामले में कितना रुपया लूटा गया अथवा कितने रूपये की धोखाधड़ी की गई; और

(ख) उक्त मामलों में कितने व्यक्ति पकड़े गये ?

वित्त मंत्रालय में राज्य मंत्री (श्री जनार्दन पुजारी) :— (क) और (ख) भारतीय रिजर्व बैंक से प्राप्त सूचना के अनुसार 1-1-85 से 31-1-86 की अवधि